

The New York Times**JULY 17**PRINTER-FRIENDLY FORMAT
SPONSORED BY

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your colleagues, clients or customers [here](#) or use the "Reprints" tool that appears next to any article. Visit www.nytimes.com for samples and additional information. Order a reprint of this article now.

April 1, 2009

Boats Too Costly to Keep Are Littering Coastlines

By DAVID STREITFELD

MOUNT PLEASANT, S.C. — Boat owners are abandoning ship.

They often sandpaper over the names and file off the registry numbers, doing their best to render the boats, and themselves, untraceable. Then they casually ditch the vessels in the middle of busy harbors, beach them at low tide on the banks of creeks or occasionally scuttle them outright.

The bad economy is creating a flotilla of forsaken boats. While there is no national census of abandoned boats, officials in coastal states are worried the problem will only grow worse as unemployment and financial stress continue to rise. Several states are even drafting laws against derelicts and say they are aggressively starting to pursue delinquent owners.

"Our waters have become dumping grounds," said Maj. Paul R. Ouellette of the Florida Fish and Wildlife Conservation Commission. "It's got to the point where something has to be done."

Derelict boats are environmental and navigational hazards, leaking toxins and posing obstacles for other craft, especially at night. Thieves plunder them for scrap metal. In a storm, these runabouts and sailboats, cruisers and houseboats can break free or break up, causing havoc.

Some of those disposing of their boats are in the same bind as overstretched homeowners: they face steep payments on an asset that is diminishing in value and decide not to continue. They either default on the debt or take bolder measures.

Marina and maritime officials around the country say they believe, however, that most of the abandoned vessels cluttering their waters are fully paid for. They are expensive-to-maintain toys that have lost their appeal.

The owners cannot sell them, because the secondhand market is overwhelmed. They cannot afford to spend hundreds of dollars a month mooring and maintaining them. And they do not have the thousands of dollars required to properly dispose of them.

When Brian A. Lewis of Seattle tried to sell his boat, Jubilee, no one would pay his asking price of \$28,500. Mr. Lewis told the police that maintaining the boat caused "extreme anxiety," which led him to drill a two-inch hole in Jubilee's hull last March.

The boat sank in Puget Sound, and Mr. Lewis told his insurance company it was an accident. His scheme came undone when the state, seeking to prevent environmental damage, raised Jubilee. Mr. Lewis pleaded guilty last week to insurance fraud.

While there are no reliable national statistics on boating fraud, Todd Schwede, an insurance investigator in San Diego, said the number of suspicious cases he was handling had roughly tripled in the last year, to around 70.

In many cases, he said, the boater is following this logic: "I am overinsured on this boat. If I make it go away so no one will find it, the insurance company will give me enough to cover the debt and I'll make something on the deal as well."

Lt. David Dipre, who coordinates Florida's derelict vessel program, said the handful of owners he had managed to track down were guilty more of negligence than fraud. "They say, 'I had a dream of sailing around the world, I just never got around to it.' Then they have some bad times and they leave it to someone else to clean up the mess," Lieutenant Dipre said.

Florida officials say they are moving more aggressively to track down owners and are also starting to unclog the local inlets, harbors, swamps and rivers. The state appropriated funds to remove 118 derelicts this summer, up from only a handful last year.

In South Carolina, four government investigators started canvassing the state's waterways in January. They quickly identified 150 likely derelicts.

"There are a lot more than we thought there would be," said Lt. Robert McCullough of the state Department of Natural Resources. "There were a few boats that have always been there, and now all of a sudden they've added up and added up."

In January, it became illegal in South Carolina to abandon a boat on a public waterway. Violators can be fined \$5,000 and jailed for 30 days.

"We never needed a law before," said Gary Santos, a Mount Pleasant councilman.

Not that having one is necessarily proving much of a deterrent. Mr. Santos took a spin on a friend's motorboat the other day and saw a newly abandoned catamaran within seconds of leaving the dock.

It had been run aground at an awkward angle, a weathered "for sale" sign testament to the owner's inability to get rid of it. Local watermen said the boat had abruptly appeared one day in February, and had not been touched in weeks.

"Boats are luxuries," Mr. Santos said. "This isn't a good moment for luxuries."

South Carolina's unemployment rate in February was 11 percent, the second-highest in the nation after Michigan. The online classified ad service Craigslist in Charleston, S.C., features dozens of boats for sale every day. "Wife's employer is downsizing and we are forced to do the same," read one post.

Mr. Santos, 50, grew up in this well-to-do community on the northern side of Charleston harbor. In his youth, he never saw an abandoned boat. As recently as a decade ago, they were no more than an occasional nuisance.

Now they are proliferating. Crab Bank, a protected bird rookery in the harbor within sight of Fort Sumter, is home to a dozen derelicts — two sunken, two beached, the other eight still afloat. They range from houseboats to a two-masted sailboat.

State officers have placed placards on each, warning that the vessels have been identified as abandoned. Thanks to a local ordinance sponsored by Mr. Santos, the Mount Pleasant police are also tagging the vessels. After 45 days, they will be removed and junked.

California is taking a more benign approach, with plans in the Legislature for a boater bailout of sorts. Under a law proposed by State Representative Ted Lieu, owners of marginally seaworthy vessels would be encouraged to surrender them to the state. If they abandoned the boat, the bill would double the fine to \$1,000.

The legislature passed the bill last year, but Gov. Arnold Schwarzenegger returned it and many others unsigned during the state's long struggle to settle on a budget. The measure has been reintroduced this year, and unanimously passed the assembly's transportation committee last week and could become law as early as this summer.

Kevin Ketchum, general manager of California Yacht Marina, which operates six marinas in

the state, predicted that the law “is going to be phenomenally popular. It will help honorable people who want to do the right thing but can’t afford it.”

The cost of the disposals would be paid by existing fees on boat owners. Mr. Lieu said that “in a perfect world” the fear of punishment would be enough to get people to stop abandoning boats.

“But to actually enforce that would take way more governmental resources than we have,” he said.

Copyright 2009 The New York Times Company

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [RSS](#) | [First Look](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)



Search Business

News, Stocks, Funds, Companies

Go

Financial Tools

Select a Financial Tool

More in Business »

Global Business

Markets

Economy

DealBook

Media & Advertising

Small Business

Your Money

Energy & Environment

Boats Too Costly to Keep Are Littering Coastlines



Brett Flashnick for The New York Times

Officials are investigating a sailboat left on the marshy banks of a creek in Mount Pleasant, S.C.

By DAVID STREITFELD

Published: March 31, 2009

MOUNT PLEASANT, S.C. — Boat owners are abandoning ship.

Enlarge This Image



Brett Flashnick for The New York Times
Gary Santos, a Mount Pleasant, S.C., councilman, checks a state notice on a forsaken sailboat.

They often sandpaper over the names and file off the registry numbers, doing their best to render the boats, and themselves, untraceable. Then they casually ditch the vessels in the middle of busy harbors, beach them at low tide on the banks of creeks or occasionally scuttle them outright.

The bad economy is creating a flotilla of forsaken boats.

While there is no national census of abandoned boats,

officials in coastal states are worried the problem will only grow worse as unemployment and financial stress continue to rise. Several states are even drafting laws against derelicts and say they are aggressively starting to pursue delinquent owners.

SIGN IN TO E-MAIL

PRINT

SINGLE PAGE

REPRINTS

SHARE

ARTICLE TOOLS
SPONSORED BY

JULY 17

Politics E-Mail



Keep up with the latest news from Washington with the daily Politics e-mail newsletter.

Sign Up

See Sample | Privacy Policy

MOST POPULAR - BUSINESS

E-MAILED BLOGGED

1. More Hotels Facing an Uncertain Future
2. Promising Test for Dendreon's Prostate Cancer Drug
3. Harder-Edged Warnings About Britain's Economy
4. Recession Pain, Even in Palm Beach
5. Tech Recruiting Clashes With Immigration Rules
6. News Analysis: Obama Stands Firm on a Sweeping

7. [So Botox Isn't Just Skin Deep](#)
8. [Goldman Using Share Sale to Return Bailout Funds](#)
9. [In Switch, Magazines Think About Raising Prices](#)
10. [UBS Client Pleads Guilty in Tax Case](#)

[Go to Complete List »](#)

"Our waters have become dumping grounds," said Maj. Paul R. Ouellette of the Florida Fish and Wildlife Conservation Commission. "It's got to the point where something has to be done."

Derelict boats are environmental and navigational hazards, leaking toxins and posing obstacles for other craft, especially at night. Thieves plunder them for scrap metal. In a storm, these runabouts and sailboats, cruisers and houseboats can break free or break up, causing havoc.

Some of those disposing of their boats are in the same bind as overstretched homeowners: they face steep payments on an asset that is diminishing in value and decide not to continue. They either default on the debt or take bolder measures.

Marina and maritime officials around the country say they believe, however, that most of the abandoned vessels cluttering their waters are fully paid for. They are expensive-to-maintain toys that have lost their appeal.

The owners cannot sell them, because the secondhand market is overwhelmed. They cannot afford to spend hundreds of dollars a month mooring and maintaining them. And they do not have the thousands of dollars required to properly dispose of them.

When Brian A. Lewis of Seattle tried to sell his boat, Jubilee, no one would pay his asking price of \$28,500. Mr. Lewis told the police that maintaining the boat caused "extreme anxiety," which led him to drill a two-inch hole in Jubilee's hull last March.

The boat sank in Puget Sound, and Mr. Lewis told his insurance company it was an accident. His scheme came undone when the state, seeking to prevent environmental damage, raised Jubilee. Mr. Lewis pleaded guilty last week to insurance fraud.

While there are no reliable national statistics on boating fraud, Todd Schwede, an insurance investigator in San Diego, said the number of suspicious cases he was handling had roughly tripled in the last year, to around 70.

In many cases, he said, the boater is following this logic: "I am overinsured on this boat. If I make it go away so no one will find it, the insurance company will give me enough to cover the debt and I'll make something on the deal as well."

Lt. David Dipre, who coordinates Florida's derelict vessel program, said the handful of owners he had managed to track down were guilty more of negligence than fraud. "They say, 'I had a dream of sailing around the world, I just never got around to it.' Then they have some bad times and they leave it to someone else to clean up the mess," Lieutenant Dipre said.

Florida officials say they are moving more aggressively to track down owners and are also starting to unclog the local inlets, harbors, swamps and rivers. The state appropriated funds to remove 118 derelicts this summer, up from only a handful last year.

In South Carolina, four government investigators started canvassing the state's waterways in January. They quickly identified 150 likely derelicts.

"There are a lot more than we thought there would be," said Lt. Robert McCullough of the state Department of Natural Resources. "There were a few boats that have always been there, and now all of a sudden they've added up and added up."

In January, it became illegal in South Carolina to abandon a boat on a public waterway. Violators can be fined \$5,000 and jailed for 30 days.

“We never needed a law before,” said Gary Santos, a Mount Pleasant councilman.

A version of this article appeared in print on April 1, 2009, on page A1 of the New York edition.

[More Articles in Business »](#)